

Message Text

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PAGE 01 LONDON 04360 121818 Z

44

ACTION EUR-25

INFO OCT-01 EA-11 IO-12 ADP-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 EB-11 FRB-02 H-02 INR-10 INT-08 L-03

LAB-06 NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02

SS-15 STR-08 TAR-02 TRSE-00 USIA-12 PRS-01 OMB-01

RSR-01 GAC-01 /190 W
----- 053743

R 121754 Z APR 73

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 0481

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION GENEVA

USMISSION OECD PARIS

UNCLAS LONDON 04360

E. O. 11652: N/ A

TAGS: ETRD, UK, US

SUBJECT: ADDITIONAL UK PRESS REACTION TO THE TRADE BILL

REF: LONDON 4287

1. THE EDITORIALS ON THE TRADE BILL THAT APPEARED IN THE BRITISH PRESS ON APRIL 12 RANGED FROM VERY FAVORABLE (THE TIMES) TO EQUIVOCAL (THE GUARDIAN AND DAILY TELEGRAPH). PRESS COMMENT OF APRIL 11 WAS SUMMARIZED IN THE REFERENCED TELEGRAM.

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PAGE 02 LONDON 04360 121818 Z

2. A LEAD EDITORIAL IN THE TIMES STATES THAT THE TRADE BILL " LOOKS SOUND AND SENSIBLE." ALTHOUGH THE PRESIDENT IS SEEKING POWERS THAT WOULD ENABLE HIM TO TAKE PROTECTIVE MEASURES AS WELL AS REDUCE TRADE BARRIERS, THE BILL " COMES DOWN FIRMLY ON THE SIDE OF FREER TRADE." THE PRESIDENT' S MESSAGE WHICH ACCOMPANIED THE BILL MARKS " A SIGNIFICANT CHANGE IN THE CLIMATE OF OPINION IN WASHINGTON." THE ADMINISTRATION IS NOW " FIRMLY AND PUBLICLY COMMITTED TO FREER INTERNATIONAL TRADE." AFTER ASSESSING THE BILL' S PROSPECTS IN CONGRESS IN RELATIVELY OPTIMISTIC TERMS, THE EDITORIAL NOTES THAT THE U. S. BALANCE OF PAYMENTS SITUATION IS LIKELY TO IMPROVE DURING THE TRADE NEGOTIATIONS AS A RESULT OF PARITY REALIGNMENTS THAT HAVE ALREADY TAKEN PLACE. THE NEED, THEREFORE, IS TO " CONCENTRATE ON LIBERALIZING TRADE IN THE GENERAL INTEREST, RATHER THAN TAKING A SHORT VIEW AND WORRYING OVER SAFEGUARDS."

3. A DAILY TELEGRAPH EDITORIAL SAYS THAT THE PRESIDENT IS " FACING BOTH WAYS" IN SEEKING TO PACIFY AN INCREASINGLY PROTECTIONIST DOMESTIC OPINION AND TO LIBERALIZE TRADE. THE " BASIC AND BETTER INSTINCTS" OF THE ADMINISTRATION LIE IN THE DIRECTION OF FREER TRADE, YET THE BILL COULD MAKE IT SUBSTANTIALLY EASIER FOR AMERICAN INDUSTRIES TO GAIN INCREASED PROTECTION. THERE IS A " SERIOUS DANGER OF A NEW TRADE WAR IN PRESIDENT NIXON' S APPROACH ... SO MUCH OF HIS INITIATIVE APPARENTLY DEPENDS ON OTHER COUNTRIES FIRST SHOWING EVIDENCE OF THEIR GOOD FAITH AND INTENTIONS."

4. AN EDITORIAL IN THE GUARDIAN CALLS THE PRESIDENT' S MESSAGE " TOTALLY AMBIGUOUS," AS IT SIMULTANEOUSLY ASKS FOR POWERS TO LIBERALIZE U. S. TRADE AND TO " USE THE SUPPOSED SINS OF OTHERS AS AN EXCUSE TO IMPOSE PROTECTIONISM." ACCORDING TO THE GUARDIAN, JAPAN, THE EC AND THE U. S. ARE ALL ACCUSING EACH OTHER OF UNFAIR TRADING PRACTICES. THE CLASSIC ARGUMENTS IN FAVOR OF UNRESTRICTED TRADE, HOWEVER, MAY NO LONGER BE COMPLETELY VALID IN A WORLD OF UNSTABLE CURRENCY RELATIONSHIPS. THE LDCS HAVE SPECIAL NEEDS, AND DEVELOPED COUNTRIES HAVE THEIR OWN PROBLEMS OF STRUCTURAL

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PAGE 03 LONDON 04360 121818 Z

CHANGE. " AMICABLE AGREEMENT ON LEGITIMATE CONTROLS ON

TRADE AND INVESTMENT, AND ACTION TO TACKLE GENUINELY
UNFAIR BARRIERS, IS MUCH MORE LIKELY WHEN IT IS AGREED
THAT SOME CONTROL IS LEGITIMATE. WE NEED A NEGOTIATION,
NOT A HERESY HUNT."

SOHM

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TAGS: ETRD, UK, US
To: BONN
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DUBLIN
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LUXEMBOURG
PARIS

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